

Aerospace Services And Products, Inc.

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Hi, I'm Bill White. Thank you for the opportunity to share one of my company's challenges doing business in Michigan. I am the owner of Aerospace Services And Products, Inc. We are located in Hudson Michigan and serve the aviation industry. We are a Repair Station, certified by the FAA. We started the Repair Station in Hudson in 2000 and have been in continuous operation since, performing maintenance, repair and overhaul of aircraft brakes, wheels and emergency equipment including life rafts and oxygen equipment for aircraft operators located in Michigan, the Great Lakes region and around the country. We service both private and commercial operators.

I want to point out that in the past 10 years our small business has supported 8 full time specialist employees and their families, along with some part time and contract workers. During that period, we have paid nearly \$ 5 million in wages and benefits. Unlike most other local small businesses we bring new money from around the country to the Hudson community and to the State. Our employees all live in or around Hudson. Two are my sons who I plan on passing the business down to. Of our other employees, one is a volunteer fire fighter and EMT who is very active with the Hudson fire department and in many community organizations. Another serves as a township clerk and is also very active in church and community events. Two are US Military Veterans. Our employees are all active community volunteers in the many charitable organizations in and around Hudson. It's not a lot of jobs, but they are important and contribute to the community.

Although a small company, Aerospace Services And Products supports many of the local non-profit and charitable groups and organizations, not only in Hudson but around the State, with meaningful contributions and serving on boards when needed. We are also active members of the Hudson area Chamber of Commerce. Our company has proven itself to be not only an asset of value to aircraft operators, but also to the community and the State.

In 2014 and 2015, we invested heavily into our facility and added new equipment and training to enhance our product line in order to replace the revenue being lost and leaving for States such as Indiana and Wisconsin who in 2013 passed legislation exempting aircraft parts from sales tax.

It is a myth that all aircraft operated in Michigan owe use tax when purchasing parts from out of state suppliers. The fact is if an aircraft is registered outside Michigan and is owned and operated by an Ohio, Wisconsin or other out of state company that sometimes have aircraft making flights to and from Michigan but purchase repair parts while in other states and the point of sale is outside Michigan, no use tax is owed. The only tax owed is sales tax on purchases they make and take delivery of in Michigan. These aircraft are in Michigan far too frequently to qualify for the current out of state or fly away exemptions when the point of sale of these parts is in Michigan.

We want to keep our business in Hudson. My family and the families of our employees live here. It's one thing when companies are forced to move due to lack of business opportunities, but it's discouraging to think that Michigan's tax policy is one that pushes businesses, for their own survival, to other States. This table below identifies our Michigan sales tax beginning with 2014, the first year bordering States' tax exemptions went into effect. This table doesn't include sales to Michigan resale exemption holders or those with Michigan direct pay permits. It shows taxable sales made and taxes collected.

YEAR	MICHIGAN TAXABLE SALES	\$ TAXES COLLECTED	FROM PREV. YEAR	SINCE 2014
2014	930,324.53	55,632.56		-----
2015	857,203.36 (73, 121.17)	51,432.36	(4200) -7.5%	(4200) -7.5%
2016	619,857.15 (237,346.41)	37,190.83	(14,241.53) -27%	(18,441.73) -33%
	SALES 2014-2016 (310,467.38)			

Thank You,

Bill White
 Aerospace Services And Products, Inc.